GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4454
ANSWERED ON:12.08.2016
Sale of NBCC Stake
Vellaigounder Shri Elumalai

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government proposes to sell 15 per cent stake of National Building Construction Corporation (NBCC);

(b) If so, the details there of and the funds expected to be generated from such sale;

(c) Whether the Government also proposes to allot additional shares to eligible and willing employees at a discount of 5 per cent to issue or discovered price of the offer for sale; and

(d) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

a) Yes, Sir.

b) CCEA in its meeting held on 13.07.2016 has approved disinvestment of 15% paid up equity of National Buildings Construction Corporation Limited (NBCC) out of Government of India"s (GoI) shareholding of 90%. The disinvestment transaction will be an Offer for Sale (OFS) of shares by the Promoters or any other Stock Exchange Mechanism method as per the Securities and Exchange Board of India (SEBI) Rules and Regulation. The proposed 15% disinvestment in NBCC would result in estimated receipts of Rs. 1,706 crore approximately to the Government. However, the actual realization may be higher or lower depending on the market conditions and the investor interest prevailing at the time of actual disinvestment.

c) Yes, Sir.

d) CCEA has also approved allotment of additional shares to the eligible and willing employees at a discount of 5% to the Issue/ discovered (lowest cut off) price of the OFS, and up to a maximum of 0.75% of the paid up equity capital, subsequent to completion of the OFS transaction; the method and procedure of allotment of shares to the employees will be as per the procedure approved by SEBI.

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